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JOURNAL ENTRIES

1. The attached Journal is designed to record the daily cash transactions. Each cash entry should be posted to this Journal at the time of the transaction or at least once daily. This Journal then becomes the record of original entry. The Journal should be posted in ink and should be retained at the station. The cash count at all times should equal the difference between the amount of the Debit and Credit of the Cash Column.

2. After posting all cash entries for the month the columns should be added and sub-totaled as indicated on the sample Journal. A Trial Balance of these sub-totals will reveal if your postings are in balance. The total of the Debit columns should equal the total of the Credit columns:

	<u>DEBIT</u>	<u>CREDIT</u>
Cash	5,000.00	1,201.50
Advances	825.00	
Checks Cashed	325.00	
Expenses	51.50	
Accountability to Hqs.	<u> </u>	<u>5,000.00</u>
	<u>6,201.50</u>	<u>6,201.50</u>

3. The Accounting Schedules may now be prepared from the entries appearing on the Journal.

a. A Cash Receipts Schedule (if required) may be prepared by listing the amounts appearing as Debits in the Cash Column. Should this column show several receipts, a brief explanation should be given on the Cash Receipts Schedule as to the source of the cash received. In this Sample Journal only one receipt is recorded, therefore, this amount may be reflected on the Accounting Summary and no Cash Receipt Schedule would be required.

b. The Schedule of Advances may be prepared by listing the amounts reflected in the Debit side of the Advance column of the Journal.

c. The Schedule of Checks Cashed is prepared as the checks are cashed. The total of this Schedule should agree with the total reflected in the Checks Cashed column of the Journal.

d. The Schedule of Expenses may be prepared by listing the amounts reflected as Debits in the Expense Column of the Journal.

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e. The Schedule of Cash on Hand should be prepared at the time of the Cash Count made by two members of your Staff.

4. You are now ready to post your closing entries, i.e., the amounts which you are transferring to Headquarters and relieving yourself of accountability.

a. The total of the Schedule of Advances should be posted as a Credit in the Advance Column and as a Debit in the Accountability Column of the Journal.

b. The total of the Schedule of Checks Cashed should be posted as a Credit in the Checks Cashed Column and as a Debit in the Accountability Column of the Journal.

c. The total of the Schedule of Expenses should be posted as a Credit in the Expense Column and as a Debit in the Accountability Column of the Journal.

5. The Journal columns should again be totaled as reflected on the Sample Journal. This reveals that you have balances in only two columns, i.e., the Cash Column and the Accountability Column. These balances should be carried forward to a new sheet as beginning balances for the next month.

6. The Accounting Summary may now be prepared from the totals reflected on the various Schedules.

7. Each entry on the Journal should be supported by a document such as the Dispatch from Headquarters which transmitted the Station Advance, a signed Request for Advance, a receipt from a commercial firm for and expenditure of cash or a Schedule of Checks Cashed. The reference number of the Headquarters Dispatch should be reflected in the Reference Column of the Journal. The other supporting documents should be numbered consecutively in the lower right-hand corner and the number should be posted in the Reference Column of the Journal as is shown on the Sample Journal and Sample Accounting.

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